

Senate Study Bill 3202 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON DVORSKY)

A BILL FOR

1 An Act relating to water quality programs and making
2 appropriations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 16.140 Water quality protection
2 grant program — fund.

3 1. As used in this section and section 16.140A, unless the
4 context otherwise requires:

5 *a. "Clean Water Act"* means the federal Water Pollution
6 Control Act of 1972, Pub. L. No. 92-500, as amended by the
7 Water Quality Act of 1987, Pub. L. No. 100-4, as published in
8 33 U.S.C. §1251 — 1376, as amended.

9 *b. "Industry"* means any major industry, as defined by the
10 department of natural resources according to process wastewater
11 flows and loads of the industry, and any minor industry named
12 in the Iowa nutrient reduction strategy that will be required
13 to collect data on the source, concentration, and mass of total
14 nitrogen and total phosphorus in their effluent and to evaluate
15 alternatives for reducing the amounts of nutrients in their
16 discharge, pursuant to the Iowa nutrient reduction strategy.

17 *c. "Iowa nutrient reduction strategy"* means the document
18 released May 29, 2013, titled "Iowa Nutrient Reduction
19 Strategy" that was jointly prepared by the department of
20 agriculture and land stewardship, the department of natural
21 resources, and Iowa state university of science and technology,
22 or the latest revision of the document.

23 *d. "Municipality"* means a city or rural water district
24 or association empowered to provide sewage collection and
25 treatment services or drinking water.

26 *e. "Safe Drinking Water Act"* means Tit. XIV of the federal
27 Public Health Service Act, commonly known as the "Safe Drinking
28 Water Act", 42 U.S.C. §300f et seq., as amended by the Safe
29 Drinking Water Amendments of 1996, Pub. L. No. 104-182, as
30 amended.

31 2. The authority shall establish and administer a water
32 quality protection grant fund program for purposes of providing
33 financial assistance to enhance water quality, upgrade water
34 and wastewater infrastructure, and to implement the Iowa
35 nutrient reduction strategy. The program shall be administered

1 in accordance with rules adopted by the authority pursuant to
2 chapter 17A.

3 3. A water quality protection grant fund is created in the
4 state treasury under the control of the authority and includes
5 moneys appropriated by the general assembly and other moneys
6 available to and obtained or accepted by the authority for
7 deposit in the fund, including moneys from public or private
8 sources. Moneys in the fund are appropriated to the authority
9 and shall be used exclusively to carry out the provisions of
10 this section.

11 4. Grants may be awarded to municipalities or industries
12 participating in a nutrient trading pilot project or
13 demonstration project to purchase trading credits or to
14 implement water quality practices as described in the Iowa
15 nutrient reduction strategy to comply with technology-based
16 effluent limits for nutrients at a facility. A grant under
17 this subsection shall not exceed five hundred thousand dollars.

18 5. Grants may be awarded to municipalities for wastewater
19 or drinking water infrastructure improvements, including
20 costs due to invasive zebra mussel infestation, with awarded
21 moneys being divided evenly between wastewater and drinking
22 water infrastructure projects. In order to receive an award
23 under this subsection, an applicant must undergo a wastewater
24 viability assessment under section 16.135 or a similar
25 assessment developed by the authority, in cooperation with the
26 department of natural resources and the economic development
27 authority, to determine the long-term operational and financial
28 capacity of the facility and its ratepayers. Municipalities
29 and industries seeking grants under subsection 4 are exempted
30 from this requirement. A grant under this subsection shall not
31 exceed five hundred thousand dollars.

32 a. In the context of water pollution control facilities,
33 a grant may be awarded for the acquisition, construction,
34 reconstruction, extension, equipping, improvement, or
35 rehabilitation of any works or facilities useful for the

1 collection, treatment, and disposal of sewage or industrial
2 waste in a sanitary manner including treatment works as defined
3 in section 212 of the Clean Water Act, or the implementation
4 and development of water resource restoration sponsor projects
5 pursuant to section 455B.199.

6 *b.* In the context of drinking water facilities, a grant may
7 be awarded for the acquisition, construction, reconstruction,
8 extending, remodeling, improving, repairing, or equipping of
9 waterworks, water mains, extensions, or treatment facilities
10 useful for providing potable water to residents served by a
11 water system, including the acquisition of real property needed
12 for such purposes, and such other purposes and programs as may
13 be authorized under the Safe Drinking Water Act.

14 6. Notwithstanding section 12C.7, interest or earnings
15 on moneys in the fund shall be credited to the fund.
16 Notwithstanding section 8.33, unless specifically provided
17 otherwise, unencumbered or unobligated moneys appropriated
18 to the fund shall not revert but shall remain available for
19 expenditure for the purposes designated until the close of the
20 fiscal year that ends five years after the end of the fiscal
21 year for which the appropriation was made.

22 Sec. 2. NEW SECTION. **16.140A Cost-share assistance —**
23 **feasibility assessments.**

24 The authority shall establish a cost-share assistance
25 program for municipalities and industries required to conduct
26 economic and technical feasibility studies and develop
27 implementation plans and reports required by the Iowa nutrient
28 reduction strategy. Assistance recipients may receive up
29 to fifty percent cost-share assistance for costs associated
30 with the study or development of the implementation plans and
31 reports.

32 Sec. 3. **APPROPRIATION — WATER QUALITY PROTECTION GRANT**
33 **FUND.**

34 1. There is appropriated from the general fund of the state
35 to the Iowa finance authority for the fiscal year beginning

1 July 1, 2015, and ending June 30, 2016, the following amount,
2 or so much thereof as is necessary, to be used for the purposes
3 designated:

4 For deposit in the water quality protection grant fund
5 created in section 16.140, subsection 3:

6 \$ 23,000,000

7 2. Of the moneys appropriated in subsection 1, up to
8 \$3,000,000 shall be awarded in the form of grants pursuant to
9 section 16.140, subsection 4.

10 3. Of the moneys appropriated in subsection 1, up to
11 \$20,000,000 shall be awarded in the form of grants pursuant to
12 section 16.140, subsection 5.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with
15 the explanation's substance by the members of the general assembly.

16 This bill relates to water quality programs.

17 The bill requires the Iowa finance authority to establish
18 and administer a water quality protection grant fund program
19 for purposes of providing financial assistance to enhance water
20 quality, upgrade water and wastewater infrastructure, and to
21 implement the Iowa nutrient reduction strategy. The bill
22 creates a water quality protection grant fund for purposes of
23 the water quality protection grant fund program.

24 The bill provides that grants may be awarded to
25 municipalities or industries participating in a nutrient
26 trading pilot project or demonstration project to purchase
27 trading credits or to implement water quality practices as
28 described in the Iowa nutrient reduction strategy to comply
29 with technology-based effluent limits for nutrients at a
30 facility. Such a grant cannot exceed \$500,000. Municipalities
31 are defined as cities or rural water districts or associations
32 empowered to provide sewage collection and treatment services
33 or drinking water.

34 The bill provides that grants may be awarded to
35 municipalities for wastewater or drinking water infrastructure

1 improvements, including costs due to invasive zebra mussel
2 infestation, with awarded moneys being divided evenly between
3 wastewater and drinking water infrastructure projects. The
4 bill requires an applicant to undergo a wastewater viability
5 assessment to determine the long-term operational and financial
6 capacity of the facility and its ratepayers. Such a grant
7 cannot exceed \$500,000.

8 The bill requires the authority to establish a cost-share
9 assistance program for municipalities and industries required
10 to conduct economic and technical feasibility studies and
11 develop implementation plans and reports required by the Iowa
12 nutrient reduction strategy.

13 The bill appropriates \$23 million to the Iowa finance
14 authority for the 2015-2016 fiscal year for deposit in the
15 water quality protection grant fund.